In 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, provided $4 billion under the U.S. Department of Housing and Urban Development’s (HUD) Community Development Block Grant, Emergency Solutions Grant (ESG-CV), and Housing Opportunities for Persons with AIDS (HOPWA-CV) programs to immediately assist communities since the start of the Coronavirus Disease of 2019 (COVID-19) pandemic.

Under the CARES Act, the State of Hawaii, through the Homeless Programs Office of the Department of Human Services (DHS-HPO) received $10,034,336 in ESG-CV funds to immediately mitigate the health and economic impacts of COVID-19 on sheltered and unsheltered homeless households, and those at risk of homelessness. Since the City and County of Honolulu received its own allocation of CARES Act funds, DHS allocated the State’s ESG-CV funds in the counties of Hawaii, Kauai, and Maui.

Section VI.A.1 of Notice CPD-22-06: Waivers and Alternative Requirements for the ESG Program Under the CARES Act; Amendments and Clarifications (Notice) provided that HUD may recapture up to the difference between 50% of the total amount the recipient received in HUD’s first and second allocations of ESG-CV funds, adjusted by any recaptured amounts, if applicable, and the amount of ESG-CV funds a recipient has drawn from the Integrated Disbursement and Information System by June 16, 2022. HUD determined compliance with this requirement and will recapture $630,604 from DHS’ ESG-CV grant. The amended grant amount will total $9,404,069.

For the undisbursed $630,604 of the ESG-CV grant to be recaptured by HUD, the Hawaii Housing Finance and Development Corporation (HHFDC) must submit for HUD’s approval, an amendment to the State’s Consolidated Plan, Annual Action Plan (AAP) for Program Year 2019 (PY2019) reflecting a grant reduction and a description on how the remaining funds will be utilized.

DHS-HPO will continue to partner with Ka Mana O Na Helu (KMNH), a nonprofit that administers contracts with providers using ESG-CV funds in the neighbor island counties, and proposes to utilize additional alternative strategies to expend the remaining ESG-CV funds as follows:

- **$5,785,034 or 62%** of the amended grant amount will be used by providers of direct services in the neighbor island counties to help homeless individuals and families in emergency shelters combat the effects of COVID-19. Funding will be provided to specialized shelters for medical respite, crisis, triage, and/or stabilization beds and supportive services to assist specific populations (e.g., costs to support the operations of shelter providing beds to assist clients with substance use and/or mental health problems, and costs to support essential services designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors, provided by licensed or certified professionals).

  ESG-CV Shelter funding will be utilized toward:

  1) Acquisition of real property by Family Life Center, Inc. for temporary emergency shelters to prevent, prepare for, and respond to COVID-19, among individuals and
families who are homeless or receiving homeless assistance. The locations of the
temporary emergency shelters are anticipated to be in Kauai and Maui counties.

2) If necessary, renovation costs of the temporary emergency shelters, including labor,
tools, and other eligible costs for renovation.

3) Operational costs including shelter personnel, maintenance, security, fuel, equipment,
insurance, utilities, food, furnishings, and supplies necessary for the operation of the
temporary ESG-CV emergency shelters.

- **$1,900,016** or **20%** of the amended grant amount will be used to provide homeless prevention
  (HP) services (housing relocation and stabilization services coupled with rental assistance to
  prevent households from becoming homeless).

- **$317,602** or **3%** of the amended grant amount will be used to provide rapid re-housing (RRH)
  services (in addition to HP services, longer term rent subsidies and supportive services in
  alignment with ESG-CV regulations and waivers to support higher acuity clients).

- **$861,488** or **9%** of the amended grant amount will be used to provide integrated street and
  encampment outreach, such as emergency health and mental health services, direct outpatient
  treatment of medical and mental health conditions by licensed professionals in unsheltered
  settings, development of treatment plans and provision of medication and follow-up services in
  collaboration with other street outreach providers.

- **$35,354** or **1%** of the amended grant amount will be used by KMNH for Homeless Management
  Information System (HMIS) oversight responsibilities, including HMIS data entry for newly
  awarded organizations to help with Continuum of Care (CoC) data quality, timeliness and
  reporting, and adherence to Bridging the Gap’s (BTG) Coordinated Entry System requirements
  and HMIS policies and procedures.

- **$504,575** or **5%** of the amended grant amount will be used for homeless service providers’ (sub-
  subrecipients) and KMNH’s administrative costs. KMNH will provide administrative oversight
  to ensure compliance with program requirements and expenditure thresholds and deadlines.
  Note that DHS will retain no ESG-CV funds for administration, and each provider of direct
  services may use up to six percent of its ESG-CV2 funds for administrative costs.

Activity funding may be subject to reprogramming during the remainder of the grant term.
The deadline to expend the remaining ESG-CV funds is September 30, 2023 for Outreach, Shelter, HP
and RRH activities, and December 31, 2023 for Administration and HMIS.

Other aspects of the PY2019 AAP, as amended, will remain the same.

On September 30, 2022, a Public Notice was posted to the HHFDC and BTG websites to inform the
public of the amendment to the ESG-CV grant and reprogramming of funds. The public notice satisfies
the requirement described in Notice CPD-21-08 issued on July 19, 2021 by HUD, requiring each grantee
of CARES Act ESG-CV funds to publish how it has used and will use its ESG-CV allocation, at a
minimum, on the Internet at the appropriate Government website or through other electronic media.